

Message Text

UNCLASSIFIED

PAGE 01 BONN 01068 191731Z
ACTION EUR-12

INFO OCT-01 ISO-00 FRB-01 SP-02 USIA-15 AID-05 EB-08
NSC-05 SS-15 STR-06 OMB-01 CEA-01 CIAE-00 COME-00
INR-07 NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01 /094 W
-----061236 200700Z /11

R 191719Z JAN 78
FM AMEMBASSY BONN
TO SECSTATE WASHDC 4977
DEPARTMENT TREASURY

UNCLAS BONN 01068

DEPARTMENT PASS FEDERAL RESERVE

E.O. 11652: N/A
TAGS: EFIN, GW
SUBJECT: TECHNICAL CHANGES IN BUNDESBANK
MINIMUM RESERVE REGULATIONS

1. AT ITS JANUARY 19 MEETING THE CENTRAL BANK COUNCIL
OF THE BUNDESBANK DECIDED FOLLOWING TECHNICAL CHANGES
REGARDING THE CALCULATION OF THE BANKS' MINIMUM
RESERVE REQUIREMENTS:

A. EFFECTIVE MARCH 1, 1978, THE BANKS ARE ALLOWED
TO COUNT THEIR HOLDINGS OF DOMESTIC NOTES AND
COINS (LEGAL TENDER) AS MINIMUM RESERVE
HOLDINGS. THIS CHANGE MIGHT RELEASE DM 5.0-
5.5 BILLION FROM THE BANKS' RESERVES HELD AT
THE BUNDESBANK.

B. ALSO EFFECTIVE MARCH 1, THE RESERVE PRIVILEGE
FOR BANKS LOCATED IN CITIES WITHOUT A BUNDESBANK
OFFICE (BANKNEBENPLAETZE) WILL BE REMOVED. UNDER
THIS PRIVILEGE RESERVE RATIOS FOR SUCH BANKS'
SIGHT DEPOSITS WERE 1 PERCENTAGE POINT AND FOR
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BONN 01068 191731Z

SAVINGS DEPOSITS 0.5 PERCENTAGE POINTS LOWER
THAN NORMAL RESERVE RATIOS. THIS MEASURE WILL
INCREASE RESERVE REQUIREMENTS BY ABOUT DM 1
BILLION.

C. IN ORDER TO OFFSET THE NET RELIEF FOR BANKS
PROVIDED BY THE ABOVE MEASURES THE CENTRAL

BANK COUNCIL INCREASED EFFECTIVE MARCH 1
MINIMUM RESERVE RATIOS FOR LIABILITIES AGAINST
RESIDENTS GENERALLY BY 8 PERCENT.

D. THE COUNCIL ANNOUNCED THAT FOR BANKS WHOSE
RESERVE REQUIREMENTS WOULD INCREASE BY MORE
THAN 5 PERCENT UNDER THE NEW REGULATIONS
AMELIORATING TRANSITIONARY REGULATIONS WOULD
BE INTRODUCED. THE COUNCIL EMPHASIZED THAT
THE NEW MEASURES ARE NOT INTENDED TO HAVE ANY
LIQUIDITY EFFECTS ADDING THAT IN DECIDING THE
MEASURES IT FOLLOWED SUGGESTIONS FROM THE
BANKING COMMUNITY.
STOESSEL

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANKS, CURRENCY CONTROLS, FINANCIAL RESERVES
Control Number: n/a
Copy: SINGLE
Draft Date: 19 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BONN01068
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780030-0505
Format: TEL
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780147/aaaabncr.tel
Line Count: 76
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: c2ef3be2-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07 feb 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3750206
Secure: OPEN
Status: NATIVE
Subject: TECHNICAL CHANGES IN BUNDESBANK MINIMUM RESERVE REGULATIONS
TAGS: EFIN, GE
To: STATE TRSY
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/c2ef3be2-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014